



## COUNTY OF LOS ANGELES

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To: Supervisor Don Knabe, Chairman  
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Supervisor Michael D. Antonovich

From: Jon W. Fullinwider  
Chief Information Officer

Subject: **HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT  
(HIPAA) STATUS REPORT**

This is to provide you with a report on the County's May 2004 status in complying with the HIPAA Transactions and Code Sets (TCS) rules following the October 16, 2003, compliance deadline and a current status on the County's efforts to meet the April 20, 2005 compliance deadline for the HIPAA Security Rules. Attachment A (Summary of HIPAA Transactions and Code Sets Status) provides a transaction-by-transaction status of the information summarized below.

### Electronic TCS

#### Federal Readiness

There has been no change with regard to the Federal Centers for Medicare and Medicaid Services' (CMS) instructions to its Medicare carriers and intermediaries since it announced its intention in February 2004 to lengthen the payment cycle from 14 days to 28 days for providers submitting claims non-compliant with the HIPAA TCS rules. The effective date of this new policy is July 1, 2004. This new claims processing policy does not impact the Department of Health Services (DHS) because their Medicare claims are HIPAA compliant. There is only minimal impact on (DMH), which will be explained in greater detail below.

#### State of California Readiness

The State of California, in its Medi-Cal Update for May 2004, made no significant HIPAA-related announcements. The State continues to plan for a staged implementation of the HIPAA transactions over a period of many months and is not expected to be HIPAA compliant for some transactions within the 2004 calendar year. Neither the DHS nor the DMH can complete testing and execute HIPAA compliant Medi-Cal transactions in advance of the State and its Fiscal Intermediary (FI). The State will allow providers to process selected non-compliant transactions until advised otherwise. Both DHS and DMH

are in regular contact with their State counterparts and maintain current knowledge of State status and activities.

#### County of Los Angeles Readiness – Department of Health Services (DHS)

DHS TCS compliance should be viewed based on its three separate lines of business: (1) Hospitals and Clinics, (2) Public Health, and (3) the Office of Managed Care (OMC).

#### Hospitals and Clinics

DHS hospitals and clinics process the vast majority of their transactions through Accordis, a clearinghouse. Accordis is submitting Medicare inpatient and outpatient 837 claims using approved HIPAA-compliant Transaction Code Sets (TCS) information reflective of all-inclusive rate revenue codes to both Medicare FIs.

Accordis is submitting HIPAA compliant Medi-Cal inpatient claims to the State using the appropriate UB-92 revenue codes to which the State has agreed. The State is not anticipated to process HIPAA compliant Medi-Cal outpatient 837 claims in 2004. The County has submitted a proposal for handling these claims that the State continues to review.

DHS hospitals and the Office of Managed Care (OMC) have reached internal agreement on an approach to provide encounter information related to Community Health Plan (CHP) members receiving care at DHS hospitals. OMC is installing an interface engine in its data center to allow for receipt of HIPAA-compliant 837 encounter records from DHS hospitals. DHS notified the Board of a Change Notice to its agreement with Accordis on April 23, 2004, and the change notice was executed on May 7, 2004. This Change Notice will enable Accordis to accept DHS hospital data and transmit it to the Community Health Plan as a HIPAA compliant transaction. Accordis estimates that it will take approximately 120 days to bring the encounter records into production across the DHS hospitals.

When Accordis brings the 837 encounter transaction into production, DHS hospitals will not have complete 837 data sets available. The strategy is to begin with the data that is currently available to initiate the process, and then, over time, increase the data captured, and submit the data to OMC via the 837 encounter transaction.

#### Public Health

Public Health is using a combination of an existing clearinghouse relationship and custom programming to achieve HIPAA TCS compliance. The one serious constraint to achieving HIPAA TCS compliance is that the State does not anticipate accepting HIPAA-compliant outpatient claim transactions from Public Health clinics this calendar year. The County and the State will continue to work through the testing issues necessary to assure a reliable transition to HIPAA-compliant transactions and will continue to process the non-compliant claims during this transition period.



Other Public Health entities, such as the Alcohol and Drug Program Administration (ADPA) and California Children's Services (CCS) are submitting HIPAA-compliant transactions to their corresponding State agencies. ADPA has been submitting the pre-HIPAA and HIPAA-compliant transactions in parallel and on Friday, May 21, 2004, they received written notification from the State that they are now certified to shift to full production processing of HIPAA-compliant claims transactions.

#### Office of Managed Care (OMC)

As a health plan, OMC is required to have the capability to process the entire suite of HIPAA TCS transactions, including some they have never used in the past and for which they have no current trading partner. Under the enforcement guidelines issued by CMS, OMC can demonstrate a good faith effort and progress towards compliance because they have certified the conformity of their transactions through a third-party certification agency.

As identified above under Hospitals and Clinics, DHS continues to progress towards providing HIPAA compliant encounter data to OMC from the DHS hospitals.

#### County of Los Angeles Readiness – Department of Mental Health and Kirby Center Readiness

DMH received written certification to begin production processing of HIPAA-compliant X.12 837 Medi-Cal claims transactions on April 29, 2004. DMH did not, as expected, initiate production processing of the 837 transactions with the State in the first May billing cycle. Approximately 14,000 claims had a procedure code error that would have resulted in the rejection of the claims, and other claims had billing rate errors that could have resulted in lower payments to some providers. Rather than send a file with a high percentage of errors, DMH has been working with the Sierra Systems Group (Sierra) to correct the procedure code and billing rate errors. The work is expected to be complete by June 4, 2004, and production processing of 837 transactions is planned to begin the following week.

Despite the data clean up, there is some risk of increased claim denials during initial 837 processing with the State because the process involves new procedures, systems, and code sets. DMH, Sierra staff, and the State will closely monitor the initial production submissions.

DMH has received written certification from the National Heritage Insurance Company (NHIC), the FI for Medicare, for its health care claim (837) transaction and is authorized to begin production use of this transaction for Medicare claims using its Integrated System (IS). The February announcement from CMS regarding the extended payment cycle for HIPAA non-compliant claims contained a sentence to the effect that once certified, a trading partner has 30 days to submit all of its claims in HIPAA compliant format. Subsequent conversations with NHIC, the agency that actually processes the claims, has clarified that DMH will be permitted to submit both compliant and non-compliant

transactions during the transition period, even if it goes beyond 30 days, so long as claims submitted beginning July 1, 2004, are compliant.

In the April status report, we expressed concern about the potential impact of this rapid transition to HIPAA-compliant Medicare transactions on contract providers. We have since learned that contract providers do not bill Medicare through DMH, so this situation applies only to DMH's directly-operated clinics. DMH has already developed a strategy and supporting deployment plan that will enable DMH to transition to HIPAA-compliant 837 transactions to Medicare effective July 1, 2004. DMH will not submit any HIPAA non-compliant claims to Medicare after June 30, 2004.

Integrated System (IS) access and response time issues, while not 100 percent resolved, have reduced in frequency and severity to the point where DMH elected to proceed with bringing 35 new providers onto the IS during the week of May 17-21, 2004, and another 10 providers the week of May 24-28, 2004. The bulk of these providers are inpatient and residential treatment providers.

A Simulated Full-Load Test (SFLT) is planned for June 2, 2004. The SFLT is designed to confirm that the IS will handle the volume of users and transactions anticipated after all DMH and contract providers transition to HIPAA compliant processes. If this test is successful, then DMH can, with greater confidence, begin persuading all providers to use the IS.

DMH has nine categories of trading partners, listed in the table below. The table indicates the number of partners in each category and the approximate number of partners in each category that are actively using the IS. There are two methods of claim submission into the IS: 1) Electronic Data Interchange (EDI) which is the electronic submission of a group of claims, and 2) Direct Data Entry (DDE) which is the manual entry of individual claims using a Web browser.

<b>Trading Partner Category</b>	<b>Number in Category</b>	<b>Number Currently Using the IS</b>
Fee-for-Service Inpatient	26	26 DDE
FFS Network Providers	569	24 DDE 2 EDI (148 submitting paper claims that DMH enters into IS on their behalf)
Directly Operated DMH Clinics	67	8 DDE
Short-Doyle Contract Providers	352	25 DDE
Short-Doyle Hospitals	2	1 DDE
LA County Hospitals	3	1 DDE



State Hospitals	4	4 DDE (data entry by DMH staff)
State Department of Mental Health	1	0 – Certification received, production use anticipated the second week of June 2004.
Institute for Mental Disorders (IMD)	11	11 DDE
US Government (Medicare)	1	0 - Certification received, production use anticipated July 2004
Retail Pharmacy	111	0 (see text below)

The DMH IS deployment plan, which is actually three separate plans, has been refined since the last status report and is being actively used by DMH even while it is in final DMH management and CIO review. Adjustments have been made, based on provider feedback, that maintain progress while mitigating the impact of IS deployment on year-end data processing and reporting by contract providers. The adjustments included moving DMH's directly-operated clinics forward in the schedule and moving contract provider implementation of the IS after July's year-end processing. This approach has the advantage of building DMH internal expertise with the IS prior to bringing on the bulk of the contract providers in August, September, and October. The end date is the same as the previous version of the plan and the rate of deployment is approximately the same, it is simply a re-sequencing of the providers' implementation.

Until the FFS Network Providers move onto the IS, DMH, ISD/ITS and Sierra resources are required to support two different but parallel electronic billing processes. Another reason for urgency is that DMH staff are manually entering paper-based claims into the IS for 148 FFS Network Providers who are not yet using the system. DMH will cease accepting paper claims from providers effective July 1, 2004. DMH and Sierra are making a concerted effort to accelerate testing and adoption of the IS by FFS providers and billing services.

Twenty-one FFS billers or providers are currently either certified or testing to submit EDI claims transactions to the IS. There were 68 billers or providers actively submitting electronic claims to the old EDS State system before it was transferred to ISD/ITS support. One biller has indicated that they will no longer be submitting claims to DMH and five others have not responded to repeated attempts to contact them to determine their status. DMH is encouraging the remaining providers of this group to begin testing and implementing HIPAA compliant claims processing as soon as possible.

The HIPAA-compliant National Council for Prescription Drug Program (NCPDP) pharmacy claim transaction was available for production use on February 9, 2004. No pharmacy providers have completed testing the NCPDP transaction with DMH and none are using it



in production. A relatively minor modification to the IS is under consideration by DMH that will allow retail pharmacies to receive prescriptions over the Internet, update the DMH prescription database and eliminate an existing telephone-based process, but it is unclear that this will sufficiently improve the business process to persuade pharmacy providers to shift to the IS. DMH is reconsidering its Pharmacy Deployment Plan while it investigates further changes to the way pharmacy functionality is delivered to make the DMH process more like that which retail pharmacies use with other payers.

DMH and Sierra need to focus their finite resources on IS deployment to directly-operated clinics and contract providers over the next several months, as a priority, and temporarily defer deployment to retail pharmacies. However, by the end of October 2004, DMH needs to have a clear and formally documented plan for addressing IS pharmacy functionality for retail pharmacies and clear DMH management commitment to delivering on that aspect of the deployment plan.

The Kirby Center of the Probation Department and a group of DMH directly-operated clinics who submit Medi-Cal claims through DMH are scheduled to go-live on the IS in July.

My office continues to monitor the IS implementation and will apprise your Board of our progress. As previously indicated, to help achieve a successful implementation of the IS, I have temporarily assigned a member of my staff to DMH to assist management with implementation activities and related technical issues.

#### **Transactions and Code Sets Summary**

The change in the CMS Medicare contingency plan for HIPAA lengthening the payment cycle for providers submitting HIPAA non-compliant claims from 14 days to 28 days is expected to have no direct consequence for Los Angeles County because DMH plans to transition to HIPAA-compliant Medicare claims effective July 1, 2004.

There has been no indication from CMS or the State of changes to the contingency plan under which Medi-Cal is operating. Both DHS and DMH are in continuing contact with the State to ensure that both organizations keep pace with the State's implementation. My office is continuing to monitor progress at the State level and the progress of both DHS and DMH. I will notify your Board of any changes to the State HIPAA contingency plan that have the potential to impact County health or mental health operations or Medi-Cal reimbursements or cash flow.

While DHS' outpatient Medi-Cal claims will remain non-compliant until the State brings its processing into compliance, DHS hospitals are continuing to process HIPAA TCS-compliant Medicare claims and inpatient Medi-Cal claims.

OMC and DHS hospitals have resolved the HIPAA-compliant exchange of encounter records issue and will implement the solution in approximately 120 days.

DMH has obtained State certification of its X.12 837 Medi-Cal claim transaction as of April 29, 2004. Production processing of HIPAA-compliant 837 transactions with Medi-Cal has been delayed while data errors are corrected, but it is expected to commence by mid-June 2004.

New users have been brought on to the IS in May and the pace of deployment will accelerate in the coming months.

### **HIPAA Security Rule Compliance Activities**

The HIPAA Security Task Team, led by the County Chief Information Security Officer (CISO) and County Counsel, has developed a work plan to achieve compliance to the HIPAA Security Rules by the required date of April 20, 2005. The HIPAA Security team has representatives from each of the covered entities (DHS, DMH, Probation's Kirby Center and the Sheriff). They meet weekly in the office of the CIO to provide updates in their progress against the work plan and share best practices.

Two key activities required to be compliant with the HIPAA Security Rule are employee security awareness training and a security risk analysis. Employee security awareness training is required and has begun for each of the covered entities. This training is available as computer-based training on the same system that was used for privacy training. Additionally, classroom training is being conducted for those employees that do not have the time or access to obtain training online. In addition, security awareness pamphlets are being acquired to provide a multimedia approach to this process.

A risk analysis program must be implemented to comply with the HIPAA Security Rule. The team has cooperated to develop a statement of work (SOW) that is in final review. This SOW will be priced through contact with qualified outside vendors and will be submitted to the affected department heads for approval and funding. The work plan calls for the selection of a consultant and approval of a work order or contract to support a planned start date of August 1, 2004. Deficiencies that are identified through the security risk assessment will be remediated by the requisite departments.

In parallel with the activities described above, the covered entities are active participants in the County overall information security program. The activities addressed in the overall information security program are also required to be compliant with the HIPAA Security Rule.

The next HIPAA status report to the Board will be submitted on July 9, 2004.



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If you have questions or require additional information, please contact me at 213.974.2008.

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Attachments

c: Department Heads  
Chair, Information Systems Commission

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Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DHS Hospitals and Associated Clinics	Health Care Claim (837) Outbound	Outsource to Clearinghouse (Accordis)		Inpatient - Yes Outpatient - No	Inpatient - Yes Outpatient - No	Accordis (DHS Clearinghouse) is submitting Medicare inpatient and outpatient 837 claims using approved HIPAA compliant Transaction Code Sets (TCS) information reflective of all-inclusive rate revenue codes. Accordis is submitting HIPAA-compliant Medicare non-hospital 837 claims to the Fiscal Intermediary (NHIC).
	Remittance Advice (835)	Outsource to Clearinghouse (Accordis)				Accordis is submitting HIPAA-compliant inpatient Medi-Cal claims with "from" service dates beginning February 1, 2004, through the Medi-Cal Fiscal Intermediary (EDS). The State indicated that they will not be prepared to accept HIPAA compliant outpatient claims during this calendar year.
	Eligibility Inquiry & Response (270/271)	QuadraMed Affinity/Provider Advantage 270/271				The contracted vendor has completed their testing with the Medicare Fiscal Intermediary (UGS) and is ready to process the 835 HIPAA compliant format. The contracted vendor must now perform the necessary programming to translate the data in order for both facilities to accept and process the remittance advice information.  Medi-Cal is generating both the non-HIPAA and HIPAA compliant remittance advice documents (RAS). In order for a provider to receive the HIPAA compliant RAS, they must submit new provider enrollment forms. DHS has submitted the necessary provider enrollment forms in order to obtain the HIPAA compliant RAS. The State has processed 64 forms and there are eight (8) forms that are outstanding. Until the State terminates the non-HIPAA RAS, DHS plans to process both the non-HIPAA and HIPAA RAS since the non-HIPAA RAS contain additional information that does not reside on the HIPAA RAS.
DHS Public Health Clinics	Health Care Claim (837) Outbound	Outsource to Clearinghouse (Accordis)				The State continues to operate their non-HIPAA compliant Point-of-Service (POS) system for obtaining Medi-Cal eligibility information. The State has not officially announced when they will terminate the use of the POS system or what they will use to replace the system. As a result, DHS will continue to utilize the POS. For business purposes, DHS continues its efforts to install the necessary software to process HIPAA compliant 270/271 transactions. The software was successfully installed at the pilot site (Olive View-UCLA Medical Center) on April 19, 2004, and testing between the facility and the contracted vendor has begun. This process is expected to be operational at each facility before the State system is changed to become HIPAA compliant.
	Remittance Advice (835)	Paper				The administrative code sets have been implemented as scheduled on 10/16/03. Claims with service dates 09/22/03 and greater have been submitted to EDS and have been adjudicated.  With regards to the implementation of national code sets, the State has not provided instructions on how to convert the local revenue codes to national codes. Therefore, until the information is received from the State, the clearinghouse vendor, Accordis, is unable to comply with HIPAA TCS regulations. Testing for format has been completed with the State and Accordis has received notification that it passed all format testing.
						No change to existing process.

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DHS Alcohol and Drug Programs Administration	Health Care Claim (837) Outbound	Custom coded front-end upgrade to capture the HIPAA data elements. Accordis, a clearinghouse, will process the actual transaction.				DHS Alcohol and Drug Programs Administration (ADPA) is ready to submit the 837 outbound transaction to the State Department of Alcohol and Drug Programs (SADP). Accordis (DHS Clearinghouse) has submitted test files of HIPAA-compliant 837 Drug Medi-Cal claim transactions to SADP. SADP had some initial problems handling ADPA's large files and requested a resubmission in smaller batches, which has been done. SADP Certification of the ADPA 837 claim transaction is anticipated before the next status report and production use of the 837 transaction should follow shortly thereafter.
	Health Care Claim (837) Inbound	Paper				No change to existing process.
	Remittance Advice Outbound (835)	Paper				No change to existing process.
	Remittance Advice Inbound (835)	Paper				No change to existing process for the time being. The State has not provided a date by which they will implement a HIPAA compliant remittance advice (835) transaction.



Los Angeles County  
Summary HIPAA Transactions and Code Sets Status

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DHS Office of Managed Care (OMC)	Health Care Claim (837) Inbound	Vendor (HMS) modifying PMS to accept HIPAA compliant claim transactions from out-of-plan providers.				The X.12 837 transaction is certified by Claredi, however no trading partners have contacted CHP to conduct HIPAA-compliant transactions. OMC will continue processing this transaction in pre-HIPAA format consistent with the contingency plan, or on paper, until trading partner testing is complete. OMC is in the final stages of setting up a virtual private network with Claimsnet and DHS to facilitate testing with out-of-network hospitals and physicians. OMC is currently coordinating an outreach effort to identify potential trading partners with out-of-network hospitals and physicians with whom to begin testing. No negative impact to OMC business processes or revenue flow has occurred.
	Health Care Encounter (837) Inbound	Translator software being installed to handle this transaction to feed the OMC Data Warehouse; Using clearinghouse (DDD) to translate incoming proprietary format to HIPAA compliant format (837 encounter).				DHS hospitals and OMC have reached agreement on an approach to providing encounter information related to Community Health Plan (CHP) members receiving care at DHS hospitals. OMC is currently installing an interface engine in its data center to allow receipt of HIPAA-compliant 837 encounter records from DHS hospitals. DHS has submitted a Change Notice and Board memo to engage Accordis to translate DHS hospital, CHC and HC encounter data into HIPAA TCS compliant 837 encounter claims. Accordis estimates that it will take approximately 120 days to bring the encounter records into production across the DHS hospitals. OMC is accepting HIPAA-compliant 837P transactions from non-County providers via a clearinghouse (DDD) and they are testing the 837P.
	Health Care Encounter (837) Outbound	Data extracted from Data Warehouse will feed translator software to produce HIPAA compliant transaction				DHS' Information Services Branch Data and Information Services Division is working with CHP to complete configuration of the X.12 software and servers for testing of the transaction. Completion is expected in the fall of 2004. LA Care has stated that they will continue to support the pre-HIPAA format for a minimum of six (6) months for DHS Facility encounters. CHP is fully compliant on the submission of non-County provider transactions via a clearinghouse (DDD). No negative impact on business processes or revenue flow is anticipated.
	Remittance Advice (835) Outbound	Vendor (HMS) modified PMS to produce HIPAA compliant transactions				The X.12 835 transaction is certified by Claredi, but it has not yet been tested with trading partners. DHS will continue to process this transaction in pre-HIPAA format consistent with the contingency plan until trading partner testing is complete. No negative impact on business processes or revenue flow has occurred.
	Health Care Enrollment and Disenrollment (834)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions				OMC successfully tested the 834 transaction with Universal Care. Testing continues with other trading partners. OMC is able to process a compliant X.12 834 transaction as of October 16, 2003. State DHS did not meet the compliance deadline of 10/16/03 for this transaction except for the Healthy Families Program, which stated they are in "material compliance." DHS currently provides its eligibility roster electronically to certain plan providers, including DHS facilities. Neither the 271 nor the 834 are designed for this purpose, but if required, OMC will implement an 834 format. OMC is actively testing data received from Healthy Families new data vendor, Maximus, as well as LA Care, for Medi-Cal.
	Premium Payment Order / Remittance Advice (820)	Vendor (HMS) modifying PMS to accept and translate HIPAA transaction				The Healthy Families Program (HFP) changed its administration vendor in January 2004, and will not implement the ANSI X.12 820 transaction until mid-2004. HFP stated that the 820 electronic file they currently distribute is "materially compliant." The necessity for OMC to receive an X.12 820 transaction is settled and the need to generate an outbound 820 is being investigated. The LA County Treasurer and Tax Collector (TTC) and the CAPS system are the recipients of the inbound 820, so there is the potential to impact their operations and the CAPS system. Approaches that minimize the impact on the TTC are preferred. Until those issues are resolved, DHS will continue to process transactions in pre-HIPAA format. No negative impact on business processes or revenue flow is anticipated. OMC IT met with Dave Beck and Bonita Taylor from OMC Finance and a decision was made to program the PMS system to accept the 820 transaction. MRMIB, who had previously reported that they would be able to send the 820 in February 2004, now states that they will be ready to test the 820 in June.

Los Angeles County  
Summary HIPAA Transactions and Code Sets Status

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
	Eligibility Inquiry & Response (270/271)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions				HMS completed testing with Claredi on 8/14/03. Trading partners have been contacted, but to date no providers have expressed an interest in using these transactions; hence there has been no testing with trading partners. No negative impact on business processes or revenue flow has occurred.
	Claim Status Summary (276/277)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions				HMS completed testing with Claredi on 9/17/03. Trading partners have been contacted, but to date no providers have expressed an interest in using these transactions; hence there has been no testing with trading partners. No negative impact on business processes or revenue flow has occurred.
	Health Care Service Review (278)	Vendor (HMS) modified PMS to produce HIPAA compliant transactions				
	NCPDP	Pharmacy Benefit Management Contractor				Contractor (PCN) is responsible for HIPAA compliance of NCPDP transactions.



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Summary HIPAA Transactions and Code Sets Status

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
DHS California Childrens Services	Health Care Claim (837) Outbound	In-house development of 837 transaction output				Completed. Successfully submitted third batch (837 format) on 4/19/04. Process is now routine.
	Health Care Claim (837) Inbound	Paper				No change to existing process (i.e., providers submit paper claims, CCS staff enters claim information into ACMS).
	Remittance Advice (835)	Vendor (EDS) supplied via website				Completed. Successfully downloaded 835 data from the website on several occasions and will be downloading the third batch during the week of 4/26/04. Process is now routine.
	NCPDP	Paper				No change to existing process.

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Summary HIPAA Transactions and Code Sets Status**

Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
<b>DMH Department of Mental Health</b>	Health Care Claim (837)	Integrated System - Wrapper of MHMIS and FFS (EDS)				The HIPAA-compliant X.12 837 transaction produced by the Integrated System (IS) has been certified by NHIC, the fiscal intermediary for Medicare claims submissions. Production use of this transaction is expected to begin in June 2004. DMH received State Medi-Cal Certification of its 837 transaction on April 29, 2004 and is expected to initiate production use of this transaction no later than June 4, 2004. The number of Fee-for-Service Providers conducting HIPAA-compliant transactions via the Integrated System is slowly increasing and the rest are submitting non-compliant information directly into the County implementation of the EDS system operated by ISD. Submitting claim transactions to the ISD operated EDS system is an option that will be shut down in early FY 2004-05 as the FFS providers move to HIPAA-compliant claims processing in the IS.
	Health Care Enrollment and Disenrollment (834)	Integrated System - Wrapper of MHMIS and FFS (EDS)				DMH began using the Integrated System (IS) to exchange the X.12 834 HIPAA transaction with Fee-for-Service Network Providers on November 24, 2003. DMH began using the Integrated System (IS) to exchange the X.12 834 HIPAA transaction with Short-Doyle providers on February 9, 2004. State and Federal compliance status is not relevant to or a constraint on this transaction.
	Remittance Advice (835) Inbound	Integrated System - Wrapper of MHMIS and FFS (EDS)				The State-produced X.12 835 transaction was reviewed as part of the State 837 certification process and it was determined to be acceptable by DMH. In the production claim processing cycle, the 835 remittance advice from the State and NHIC follows claims submission by several weeks.
	Remittance Advice (835) Outbound	Integrated System - Wrapper of MHMIS and FFS (EDS)				DMH pays for some services directly to the provider and for those services on the IS, they are currently producing HIPAA compliant X.12 835 remittance advice transactions. While this transaction is in production use, its status is "yellow" because of the limited number of trading partners involved at this time.
	Eligibility Inquiry & Response (270/271)	Integrated System - Wrapper of MHMIS and FFS (EDS)				The Integrated System has been processing HIPAA compliant X.12 270 and 271 transactions with Fee-for-Service Network Providers since November 24, 2003, and began processing them for Short-Doyle providers on February 9, 2004. Medi-Cal will not support HIPAA compliant eligibility transactions this year. IS has been modified to process compliant 270/271 for local trading partners and non-compliant format State transactions. DMH will continue to process transactions in pre-HIPAA format with the State until the State is ready with a compliant 270/271 transaction. Medicare also cannot process HIPAA compliant X.12N 270/271 eligibility transactions and has not announced a date when they expect to become compliant. No negative impact on business processes or revenue flow is anticipated.
	Authorization (278)	Integrated System - Wrapper of MHMIS and FFS (EDS)				The Integrated System began processing X.12 278 transactions with Fee-for-Service network providers on November 24, 2003, and with Short-Doyle providers effective February 9, 2004. State Medi-Cal will not support compliant authorization transactions this year. DMH will continue to process transactions in pre-HIPAA format with the State in the meantime. No negative impact on business processes or revenue flow is anticipated. While this transaction is in production use, its status is "yellow" because of the limited number of trading partners involved at this time.
	Health Care Claim Status Summary (276/277)	Integrated System - Administrative Transactions				DMH is presently offering the 276 and 277 X.12 transactions to Fee-for-Service network providers who are using the Integrated System. The HIPAA compliant X.12 276/277 transaction for contract and directly-operated Short-Doyle providers became available for production use on February 9, 2004, but it is not a transaction currently used by this group of providers. It will likely become more important to them as they process HIPAA-compliant claims transactions. State Medi-Cal will not support compliant status reporting transactions this year. The complexity of managing compliant local data without corresponding State transactions will introduce minimal risk.



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Organization	Transactions	Compliance Strategy	County Complete & Ready To Test With Trading Partner	Trading Partner Testing Complete	Transaction in Production Use	Comments
	NCPDP	Integrated System - Wrapper of MHMIS				The HIPAA-compliant NCPDP transaction became available for production use on February 9, 2004. Two pharmacy providers are testing the NCPDP functionality, but the pilot test reported in the April status report, which was to begin by the date of this status report, was delayed. No pharmacy providers are actually using IS pharmacy functionality in production. A modification to the Integrated System is being considered that will allow retail pharmacies to update the DMH prescription database over the Internet and eliminate an existing telephone-based process. Further changes to pharmacy functionality are being considered.

LEGEND:

- Step complete
- Not complete for reasons beyond the control of County
- Not complete